

ORIGINAL
FILED

United States District Court

NORTHERN

DISTRICT OF

CALIFORNIA
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA

v.

JENARO R. MEJIAS, ET AL

CRIMINAL COMPLAINT

CASE NUMBER:

SEALED
BY COURT ORDER

WDB

(Name and Address of Defendant)

4-06-70465

I, the undersigned complainant being duly sworn state the following is true and correct to the best of my knowledge and belief. On or about 9/02-6/06 in Contra Costa county, in the

Northern District of California defendant(s) did, (Track Statutory Language of Offense)

See attachment

in violation of Title 18 United States Code, Section(s) 371, 1955, 2, 1956(h)

I further state that I am a(n) IRS Special Agent and that this complaint is based on the following

facts:

See attached affidavit of IRS Special Agent Carol Ann Quigley

NO BAIL ARREST WARRANTS REQUESTED.

Continued on the attached sheet and made a part hereof:

☒ Yes

☐ No

Approved
by: 18
Form:

George L. Bevan Jr. 1/24/06
USA GEORGE L. BEVAN JR.

Carol Ann Quigley
Name/Signature of Complainant

Sworn to before me and subscribed in my presence.

25 July 06
Date

at

City and State

BERNARD ZIMMERMAN U.S. MAGISTRATE JUDGE
Name & Title of Judicial Officer

Carol Ann Quigley
Signature of Judicial Officer

JUL-25-2006 12:06

ATTACHMENT TO COMPLAINT

COUNT ONE: 18 U.S.C. § 371

1. Beginning on a date unknown, but no later than in or about September 2002 and continuing until June 2006, in the Northern District of California, the defendants

JENARO R. MEJAS, aka BOB MEJAS,
TONY FERRETTI,
DALLAS AFFOLTER,
HOUSHANG POURMOHAMAD, aka "Hoosh,"
ED ATTANASIO,
DAVID VOLKMAN,
NORM FOISY,
RAY VARGAS,

and others, did knowingly conspire with David Lee Duckart to conduct, finance, manage, and supervise an illegal gambling business, as defined by 18 U.S.C. § 1955(b), in violation of 18 U.S.C. § 1955.

Manner and Means of Conspiracy

2(a) Co-conspirator David Lee Duckart, acting as the bookmaker/bookie, received bets and wagers, in the form of currency and checks, from customers/players through "agents" and "runners."

(b) The defendants charged herein were among this group of "agents" who were responsible for, inter alia, collection of bets and wagers from their pool of players.

(c) The defendants delivered bets and wagers which they collected from their pool of players, to a "runner" who in turn delivered these funds to Duckart.

(d) The defendants thereafter received a commission from Duckart based on a percentage of the losses of their players on these bets and wagers.

(e) The bets and wagers of the players were placed via the Internet, or through a toll-free number, with one or more persons in Costa Rica who were paid by Duckart to operate this illegal gambling business outside the United States.

Overt Acts

3. In furtherance of the conspiracy and to obtain the objectives thereof, the defendants committed the following overt acts, among others, in the Northern District of California and elsewhere:

(a) At regular intervals, usually weekly, during the charged conspiracy period, the defendants received bets and wagers from their players in the form of currency.

(b) The defendants delivered these funds to a "runner" with the expectation that these funds would be delivered to co-conspirator David Duckart to pay for bets and wagers of their players, and expenses of this illegal gambling business.

All in violation of Title 18, United States Code, Section 371.

Maximum Penalties: 5 years imprisonment, a fine of \$250,000, 3 years supervised release, and a \$100 special assessment.

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COUNT TWO: 18 U.S.C. §§ 1955, 2

Beginning on a date unknown, but no later than in or about September 2002 and continuing until June 2006, in the Northern District of California, the defendants

JENARO R. MEJIAS, aka BOB MEJIAS,
TONY FERRETTI,
DALLAS AFFOLTER,
HOUSHANG POURMOHAMAD, aka "Hoosh,"
ED ATTANASIO,
DAVID VOLKMAN,
NORM FOISY, and
RAY VARGAS,

did knowingly conduct, finance, manage, and supervise an illegal gambling business, as defined by 18 U.S.C. § 1955(b), and did aid and abet in the same, in violation of Title 18, United States Code, Section 1955.

Maximum Penalties: 5 years imprisonment, a fine of \$250,000, 3 years supervised release, and a \$100 special assessment.

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COUNT THREE: 18 U.S.C. § 1956(h)

1. Beginning on a date unknown, but no later than in or about September 2002 and continuing until June 2006, in the Northern District of California, the defendants

JENARO R. MEJAS, aka BOB MEJAS,
TONY FERRETTI,
DALLAS AFFOLTER,
HOUSHANG POURMOHAMAD, aka "Hoosh,"
ED ATTANASIO,
DAVID VOLKMAN,
NORM FOISY,
RAY VARGAS,

and others, did knowingly conspire with David Lee Duckart to transmit and transfer funds from a place in the United States to a place outside the United States, namely Costa Rica, with the intent to promote the carrying on of specified unlawful activity, namely, conducting an illegal gambling business in violation of 18 U.S.C. § 1955.

2. In furtherance of the conspiracy and to obtain the objectives thereof, the defendants and co-conspirator David Duckart committed the following overt acts, among others, in the Northern District of California and elsewhere:

(a) At regular intervals during the charged conspiracy period, the defendants delivered or caused to be delivered bets and wagers in the form of currency and checks to co-conspirator David Duckart, with the expectation that these funds would be used, in part, to pay for expenses of this illegal gambling business, including operational expenses outside the United States.

(b) On or about September 12, 2005, co-conspirator David Duckart transmitted and transferred funds in the amount of \$ 4,010 from the United States to Costa Rica, designating Darwin Mobley as the beneficiary of said transfer, with the intent to promote the carrying on of this illegal gambling business.

(c) On or about September 13, 2005, co-conspirator David Duckart transmitted and transferred funds in the amount of \$ 4,510 from the United States to Costa Rica, designating Darwin Mobley as the beneficiary of said transfer, with the intent to promote the carrying on of this illegal gambling business.

All in violation of Title 18, United States Code, Section 1956(h).

Maximum penalties: 20 years imprisonment, a \$500,000 fine, 5 years supervised release, and a \$100 special assessment.

AFFIDAVIT IN SUPPORT OF CRIMINAL COMPLAINT

I, Carol Ann Quigley, declare and state the following:

1. I am currently employed as a Special Agent with the Criminal Investigation Division of the Internal Revenue Service (IRS-CID), Department of Treasury, and have been so employed since May 1988. Prior to my employment as a Special Agent, I worked as a Tax Auditor for the IRS for three years, conducting audits of individuals and small businesses. I have received substantial basic and advanced training in tax law, accounting, financial investigation, financial analysis, and law enforcement techniques.

2. In my 18 years as a Special Agent, I have conducted and assisted in numerous complex investigations involving tax evasion, money laundering, and currency violations. The majority of these cases have been conducted in conjunction with other federal, state and local law enforcement agencies, during which I have gained knowledge and experience in the investigation and prosecution of various other criminal offenses, including Title 18 violations. I have also participated in the execution of numerous search warrants.

3. This affidavit is in support of a criminal complaint charging Jenaro R. Mejias, aka Bob Mejias; Tony Ferretti; Dallas Affolter, Houshang Pourmohamad, aka Housh; Ed Attanasio; David Volkman; Norm Folsy; and Ray Vargas, with conspiracy to conduct an illegal gambling business in violation of 18 U.S.C. § 371; conducting an illegal gambling business in violation of 18 U.S.C. §§ 1955 and 2; and conspiracy to commit money laundering in violation of 18 U.S.C. § 1956(b).

4. On June 23, 2006, United States Magistrate Judge Nandor J. Vadas approved a criminal complaint, filed as United States v. David Lee Duckart, No. 4-06-70405-WDB, charging Duckart with, inter alia, conducting an illegal gambling business beginning on a date unknown, but no later than in or about September 2002 and continuing until June 2006, in violation of 18 U.S.C. § 1955.

On July 6, 2006, the government filed a three-count Information against Duckart, in case number CR-06-00472-SBA, charging him with conducting an illegal gambling business in violation of 18 U.S.C. § 1955, and money laundering (two counts) in violation of 18 U.S.C. § 1956(a)(2)(A).

5. My affidavit for the criminal complaint against Duckart discusses the execution of a federal search warrant at Duckart's residence in San Ramon, California, on June 22, 2006. During the search, evidence was recovered establishing that more than 5 persons, not counting Duckart, were involved in conducting his illegal gambling business. This evidence included "pay-owe" sheets, as well as emails, referencing persons who appeared to be employees, agents, or otherwise assisting Duckart in the gambling business.

6. On various dates since the search of Duckart's residence, he has been interviewed by one or more government agents. During one or more of these interviews, Duckart identified "runners" and "agents" who were involved with him in conducting his illegal gambling business. He also identified persons outside the United States involved in this business. Duckart, through his attorney, provided a list to the government of 3 runners and 22 agents.

The defendants charged in the accompanying criminal complaint – Jenaro R. Mejias, Tony Ferretti, Dallas Affolter, Houshang Pourmohamad, Ed Attanasio, David Volkman, Norm Foisy, and Ray Vargas – were among the 22 "agents" identified by Duckart.

7. Duckart described the function of "agents" in his gambling business as being responsible for a group of players/gamblers; collecting funds to pay for their bets and wagers placed via the Internet or a toll-free telephone number, with one or more persons in Costa Rica participating in this illegal gambling business; delivering these funds to a "runner" with the expectation and understanding that these funds would be

delivered to Duckart; making payment of gambling winnings to their players; and receiving a commission from Duckart based on gambling losses of their players.

8. On July 19, 2006, Assistant United States Attorney (AUSA) George Bevan Jr. and I interviewed a cooperating source ("CS"), whose identity is not disclosed herein. The CS expressed safety concerns for the CS and the CS's family. Also, AUSA Bevan promised that the CS's identity would remain confidential. The CS told the government that the CS began working for Duckart in approximately September 2002, and that the CS received a weekly amount for the CS's services. The CS said that Duckart, each week, gave the CS a list of dollar amounts to be picked up by the CS from various persons. Duckart supplied the names of the persons from whom these amounts were to be picked up by the CS. The CS described what became essentially the CS's weekly "route" for these pick-ups. During the interview of the CS by the government on July 19th, the CS named the persons from whom the CS picked up envelopes containing cash, more than once, on a regular basis. Among this group of persons were David Volkman; "Tony" at the Beronio Lumber company in San Francisco; "Dallas" in Pacifica who owned a restaurant and bar there; Ray Vargas from his house in Fremont; "Hoosh" in Berkeley; Ed Attanasio in San Jose and San Francisco; and Bob Mejias in San Jose.

The CS said that the single largest amount of money that the CS picked up was \$80,000 from David Volkman. The CS also said that the CS delivered, on one occasion, between \$10,000-12,000 to "Norm."

The CS said that the CS turned this money over to Duckart, except that the CS maintained an amount of currency at the CS's residence to be used for pay-outs, and from which the CS deducted the CS's salary and reimbursement for expenses, such as postage.

As noted above, the CS knew some last names, but as to others, the CS only knew a first name or nickname. There is probable cause to believe that the person known by the CS as "Tony" is Tony Ferretti. Duckart told me that Tony Ferretti works at a lumber company in San Francisco on Caesar Chavez and lives in Pacifica. The CS said that

"Tony" works at a lumber company on Caesar Chavez in San Francisco and lives in Pacifica.

There is probable cause to believe that "Dallas" is Dallas Affolter. Duckart told me that he owns a restaurant and bar named "Dallas" in Pacifica. The CS thought that the bar and restaurant was named "Dallas" where the CS picked up money from Dallas.

There is probable cause to believe that "Hoosh" is Houshang Pourmohamad. Both the CS and Duckart said that he is Iranian. Duckart provided an address to me which matched the address obtained from a public record and commercial database "Accurint."

There is probable cause to believe that "Norm" is Norm Foisy. The CS said that Duckart had a dispute with this "Norm," which coincides with information provided to me by Duckart that he and Norm had a dispute over the commission split between Norm and Bob Mejias, and that Duckart eventually settled the dispute by paying Norm the sum of \$100,000.

9. On July 17, 2006, I accessed Duckart's website for his illegal gambling business, "www.bettheduck.com," using his log-in and password which he provided to me.

(a) Attached as Exhibit A is a summary report which I printed from Duckart's website containing total wagers, by agent, by sport being bet on, for the period January 1, 2005 to July 17, 2006. The agents are not identified by name, however, they are listed by code number. I matched the code numbers to agent names in two ways. First, I referenced pay-owe sheets obtained during the search, which reference agents by first name or nickname. I also went over the list with Duckart, and he confirmed the identity of the agents on this summary.

(b) Attached as Exhibit B is another summary report that I printed from Duckart's website, which lists agent code numbers in the left hand column.

All eight defendants charged in the accompanying criminal complaint are listed in these summaries, as follows:

Jenaro R. Mejias = D8000

Tony Ferretti = D912/D and D999A

Dallas Affolter = D1900 and D1940

Houshang Pourmohamad = D6464

Ed Attanasio = D6200B

David Volkman = D500 and D500A

Norm Foisy = D700

Ray Vargas = D6526

(c) I also printed out a "Customer List Report" from Duckart's website on July 17, 2006, which lists the agent's names by coded number, the agent's customers by coded number, whether the customer is active, the customer's password, credit limit, wager limit, and balance "store." All eight defendants are included in this Report, and all eight are listed as having customers, as follows:

Jenaro R. Mejias = 60 customers

Tony Ferretti = 36

Dallas Affolter = 36

Houshang Pourmohamad = 14

Ed Attanasio = 37

David Volkman = 42

Norm Foisy = 17

Ray Vargas = 17

(d) I reviewed documents obtained from Duckart's residence during the search on June 22, 2006, which Duckart said are pay-owe sheets. All eight defendants being charged in the criminal complaint are listed on one or more of these sheets. Attached as Exhibit C are eight of these sheets.

Defendant Bob Mejias is listed in Exhibit C, on page 5, under his code "8000." He is listed at a commission of 50 percent, which coincides with the commission on Duckart's website.

Defendant Tony Ferretti is listed in Exhibit C, on page 5, under his code "D912." He is listed at a commission of 10 percent, which coincides with the commission on Duckart's website.

Defendant Dallas Affolter is listed in Exhibit C, on pages 2 and 6, under his codes "1900" and "1940." These pages reflect a commission of 50 percent, which coincides with the commission on Duckart's website.

Defendant Houshang Pourmohamad, aka "Hoosh," is listed in Exhibit C, on pages 1 and 7, under his code "6464."

Defendant Ed Attanasio, aka "Ilymic," is listed in Exhibit C, on pages 3 and 8, under his nickname and his code "6200." These pages reflect a commission of 45 percent, which coincides with the commission on Duckart's website.

Defendant David Volkman is listed in Exhibit C, on pages 3 and 8, under his code "500" and his nickname "Volk." These pages reflect a commission of 45 percent for "500" and 35 percent for "500A" which coincide with the commissions on Duckart's website.

Defendant Norm Folsy is listed in Exhibit C, on page 4, under the name "Norm" and the code "7000." Duckart told me that Norm Folsy's code is 700, so I believe that "7000" refers to Folsy and simply contains an extra "0."

Defendant Ray Vargas is listed in Exhibit C, on page 4, under the name "Vargas" and the code "6526." This page reflects a commission of 35 percent, which coincides with the commission on Duckart's website.

10(a). AUSA Bevan has advised me that Section 337a of the California Penal Code prohibits, inter alia, bookmaking, and receiving, holding, or forwarding bets or wagers upon the result of any contest of person or animal, or between persons or animals.

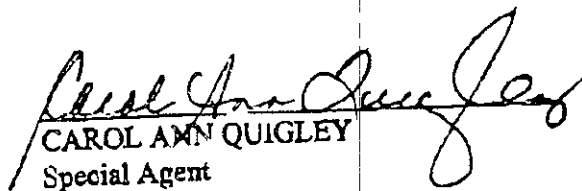
(b) AUSA Bevan has further advised me that Section 1955 of Title 18, United States Code, prohibits any person from conducting, financing, managing, supervising, directing, or owning all or part of an illegal gambling business. Section 1955(b) defines the term "gambling business" as meaning a gambling business which (1) is a violation of the law of the state in which it is conducted; (2) involves 5 or more persons who conduct, finance, manage, supervise, direct, or own all or part of such business; and (3) has been or remains in substantially continuous operation for a period in excess of 30 days or has a gross revenue of \$2,000 in any single day. AUSA Bevan has advised me that the 5-person requirement does not include customers, commonly referred to as "players."

Conclusion

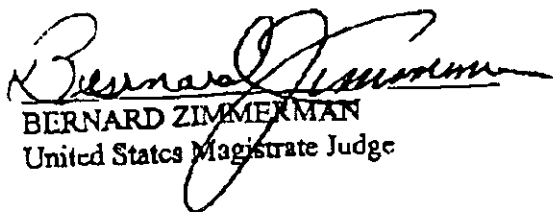
11. There is probable cause to believe that the defendants to be charged in the accompanying criminal complaint were among the more than five persons who assisted David Duckart in conducting an illegal gambling business, thereby violating 18 U.S.C. §§ 1955 and 2. The bases for probable cause are (a) the statements of David Duckart to the government identifying Jenaro R. Mejias, aka Bob Mejias, Tony Ferretti, Dallas Affolter, Houshang Pourmohamad, aka "Hoosh," Ed Attanasio, David Volkman, Norm Folsy, and Ray Vargas, as "agents" in his illegal gambling business; (b) information provided by the CS summarized herein in paragraph 8; (c) information obtained from Duckart's website for his illegal gambling business; and (d) records obtained during the search of Duckart's residence, including Exhibit C.

Moreover, since these persons provided funds to Duckart which they collected from their customers/players for bets and wagers placed via the Internet or toll-free telephone number with one or more persons working for Duckart in Costa Rica, there is probable cause to believe that these persons conspired to transfer and transmit funds to Costa Rica, with the intent to promote the carrying on of this illegal gambling business, in violation of 18 U.S.C. § 1956(h).

12. Accordingly, I request that these persons be charged with the criminal offenses set forth in the accompanying attachment to the criminal complaint.


CAROL ANN QUIGLEY
Special Agent

Subscribed and sworn to before me
this 25 day of July, 2006.


BERNARD ZIMMERMAN
United States Magistrate Judge